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**ASSESSING VALIDITY OF CONSUMER-BASED BRAND EQUITY MODELS FOR
TOURISM DESTINATIONS**

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Introduction

Tourism destinations are becoming increasingly aware of the value the destination has as a brand (Bianchi, Pike and Lings 2014; Kim, Schuckert and Elliot 2017; Tasci *et al.*, 2016). Similar to goods and service brands, destination brands recognize the value in understanding how to develop strong brands and the importance of brand equity (Nam, Ekinci and Whyatt, 2011). The purpose of the study is to test validity of the two prominent Consumer Based Brand Equity (CBBE) Models introduced by Aaker (1991) and Çifci *et al.* (2016) in a tourism domain. Using a UK and Indonesian sample, we compared the external validity of the brand equity models in different cultural settings.

This study makes two key contributions. First, we assess the validity of Aaker's (1991) CBBE with tourism destinations. Second, we further examined validity of Cifci *et al.*'s (2016) brand equity model in tourism domain. Hence, we contributed to the branding literature by advancing our knowledge of the relationship between brand awareness, brand satisfaction and brand loyalty for destinations. Brand satisfaction is identified with brand loyalty and an important component of brand equity.

Literature Review

Consumer-Based Brand Equity (CBBE) is recognised as an effective measurement of brand equity (Nam *et al.* 2011; Yoo and Donthu 2001) and applied in a number of domains to better understand the interrelationship between brand equity dimensions (Tasci 2018). The original conceptualisation of CBBE by Aaker (1991) and Keller (1993) which includes four dimensions; brand loyalty, brand awareness, perceived quality and brand associations, is commonly used. According to Aaker (1991), brand loyalty is central to a brand's equity and provides a measure of customer attachment to a brand. As such, brand loyalty is seen to predict future sales and provide an indication of long-term business success. Brand awareness, consists of brand recognition and brand recall, and refers to, "the likelihood that a brand name will come to mind and the ease with which it does so" (Keller 1993, p. 3). Perceived quality is defined by Aaker (1991 p. 85) as, "the customer's perception of the overall quality or superiority of a product or service" and brand association (p.109), "anything linked in memory to a brand".

The multi-dimensional nature of CBBE (Aaker 1991; Keller 1993) has led to a number of CBBE models being developed over the last three decades, with the inclusion and adaptation of different dimensions and no universally agreed CBBE framework emerging (Maio Mackay, 2001). Yoo and

Donthu's (2001) model in Figure 1 for example conceptualises CBBE with three dimensions, with brand awareness and brand associations combined (Model 1). Although the measures used by Yoo and Donthu (2001) are recognised as reliable, the validity of the model to extend beyond goods dominant brands is seen to be limiting (Nam *et al.* 2011). In particular, Yoo and Donthu's brand equity measure is seen to ignore the unique characteristics of service brands (Lee and Back 2010; Nam *et al.* 2011); namely their intangibility, perishability, heterogeneity and inseparability (Grönroos 1984). In response to the need for an effective measure of brand equity in a service dominant domain, Çifci *et al.* (2016) developed a CBBE model, addressing the limitations of prior conceptualisations.

The CBBE model introduced by Çifci *et al.* (2016) is shown in Model 2 and includes seven brand equity dimensions; physical quality, staff behaviour, ideal self-congruence, brand identification, lifestyle-congruence, brand satisfaction and brand loyalty. This extended CBBE model recognises the inherent nature of services by including satisfaction and service quality (SQ) dimensions (Çifci *et al.* 2016). Additionally, Çifci *et al.* (2016) propose that brand loyalty is an outcome of CBBE and mediated by brand satisfaction, rather than an antecedent of brand equity. This aligns more closely with Aaker's (1991) original conceptualisation of brand loyalty as a dimension that cannot exist without use experience.

As Figure 1 depicts, Çifci *et al.* (2016) argue that brand awareness is a knowledge-based dimension, composed of brand recall and brand recognition (Aaker 1991; Kelly 1993). Recent studies have found the inclusion of brand awareness enhances the predictive validity of CBBE (Çifci *et al.* 2016). Physical quality is one of the service quality dimensions. Service quality refers to the consumer's perception of the physical aspects of the service brand such as the design, equipment, facilities and service materials. The second service quality dimension included is staff behaviour, which refers to perceptions of employees' conduct, such as helpfulness, friendliness and responsiveness. Ideal self-congruence refers to the degree to which a consumer's ideal self-concept aligns with the brand's image (Ekinçi *et al.* 2008; Nam *et al.* 2011; Sirgy 1982). Recent research suggests that ideal self-congruence has a powerful influence over consumer behaviour (Japutra *et al.* 2017). Brand identification relates to the degree to which consumers identify with brands whose core values are aligned with their own self-identity (Bhattacharya and Sen 2003; Nam *et al.* 2011). Furthermore, brand identification has been shown to negate the effect of competitive marketing and product failure (Davvetas and Diamantopoulos 2017). Lifestyle congruence is defined as the extent to which the brand supports the consumer's lifestyle and captures consumers' consumption values related to activities and interests (Çifci *et al.* 2016).

This study examines the validity of the two CBBE models presented in Figure 1. Using data from UK and Indonesia and drawn from the tourism domain, we consider each of the models for their validity and reliability.

INSERT FIGURE 1 HERE

Methodology

The survey included established measures taken from previous studies (Yoo and Donthu 2001; Çifci *et al.* 2016). Two surveys were conducted in the UK and in Indonesia. In total 573 respondents participated in the two surveys. However, after checking the responses, 143 questionnaires were dropped, due to missing values and incomplete answers, leaving 430 responses for analysis. The survey conducted in the UK gathered 180 respondents, whereas the survey conducted in Indonesia gathered 250 respondents.

Results

Normality tests were conducted based on the value of skewness and kurtosis of each item. The distribution of the data is normal since the values of the skewness and kurtosis were around the absolute value of -1 and +1 (Hair, Black, Babin, and Anderson 2010). Next, measurement models were built. Before testing the research hypotheses, common-method variance was checked. Based on previous research (Podsakoff *et al.* 2003), common-method variance was checked using Harman's single-factor test, which suggests that common-method variance poses a problem if (1) a single unrotated factor solution appears from the EFA test, or (2) one general factor accounts for the majority of the covariance among the measures. The result accounts suggests that common-method variance does not pose a significant problem. Next, confirmatory factor analysis were conducted to check the validity and reliability of the constructs.

Model 1

Table 1 displays the composite reliability (CR) values and the correlations.

Table 1. Model 1 Descriptive Statistics, Reliabilities, Correlations and Validities

	CR	1	2	3	4
1. Brand awareness/association	0.77	0.54	0.36	0.44	0.29
2. Perceived quality	0.83	0.60	0.70	0.52	0.26
3. Brand loyalty	0.80	0.66	0.72	0.65	0.58
4. Overall brand equity	0.88	0.54	0.51	0.76	0.71

Note: The diagonal values in bold indicate the average variances extracted (AVE). The scores in the lower diagonal indicate inter-construct correlations (IC). The scores in the upper diagonal indicate squared IC (SIC).

As can be seen from Table 1, all of the constructs are reliable since the composite reliability values were above the 0.70 threshold (Hair *et al.*, 2010). Following Fornell and Larcker (1981) by using

the average variance extracted (AVE) values, it can be concluded that these constructs achieved discriminant validity since the AVE values were above the squared inter-correlations.

Next, a structural model was created. Table 2 displays the fit statistics of the the fit statistics of the structural model.

Table 2. Model 1 Fit Statistics for the Measurement Models

	N	χ^2	df	χ^2/df	GFI	NFI	TLI	CFI	RMSEA
Combined	430	67.54	29	2.33	0.97	0.97	0.97	0.98	0.06
UK	180	32.82	29	1.13	0.97	0.96	0.99	1.00	0.03
Indonesia	250	37.56	29	1.30	0.97	0.97	0.99	0.99	0.03

The results of the analysis suggest that the data support validity of the Model 1.

Model 2

Table 3 displays the composite reliability (CR) values and the correlations for Model 2.

Table 3. Model 2 Descriptive Statistics, Reliabilities, Correlations and Validities

	CR	1	2	3	4	5	6	7	8
1. Brand awareness	0.77	0.54	0.26	0.18	0.12	0.38	0.28	0.31	0.38
2. Physical quality	0.82	0.51	0.61	0.34	0.15	0.21	0.21	0.19	0.41
3. Staff behaviour	0.87	0.42	0.58	0.67	0.09	0.10	0.08	0.23	0.11
4. Brand identification	0.86	0.34	0.39	0.30	0.75	0.30	0.32	0.15	0.29
5. Lifestyle congruence	0.88	0.62	0.46	0.32	0.55	0.70	0.58	0.21	0.38
6. Ideal-self congruence	0.92	0.53	0.46	0.29	0.57	0.76	0.76	0.26	0.42
7. Consumer satisfaction	0.77	0.56	0.44	0.48	0.39	0.46	0.51	0.62	0.34
8. Brand loyalty	0.80	0.62	0.64	0.33	0.54	0.62	0.65	0.58	0.65

Note: The diagonal values in bold indicate the average variances extracted (AVE). The scores in the lower diagonal indicate inter-construct correlations (IC). The scores in the upper diagonal indicate squared IC (SIC).

As can be seen from Table 3, all of the constructs are reliable since the composite reliability values were above the 0.70 threshold (Hair *et al.*, 2010). Following Fornell and Larcker (1981) by using the average variance extracted (AVE) values, it can be concluded that these constructs achieved discriminant validity since the AVE values were above the squared inter-correlations.

Table 4 displays the fit statistics of the Model 2 for structural models.

Table 4. Model 2 Fit Statistics for the Structural Models

	N	χ^2	df	χ^2/df	GFI	NFI	TLI	CFI	RMSEA
Combined	430	407.69	161	2.53	0.92	0.92	0.94	0.95	0.06
UK	180	277.22	161	1.72	0.88	0.87	0.92	0.94	0.06
Indonesia	250	342.29	161	2.13	0.89	0.91	0.93	0.95	0.07

The results of the fit statistics show that the structural model produced good fit for Model 2.

Conclusion

This study makes two key contributions to the growing body of literature on consumer-based brand equity (CBBE). First, we assessed external validity of Aaker's (1991) CBBE model in a tourism domain. Second, we examined the validity Çifci *et al's* (2016) CBBE model in a tourism domain, with destination brands. The study suggests that brand awareness, physical quality, staff behaviour, brand identification and ideal-self congruence influence consumer satisfaction. We contribute to the branding literature by advancing our knowledge of the relationship between brand awareness, brand satisfaction and brand loyalty for destinations. Brand satisfaction is identified with brand loyalty and an important component of brand equity (Aaker 1991).

The examination of the role of brand awareness within brand equity is an important finding for destination brands. Brand awareness is comprised of brand recall and brand recognition and a key component of brand equity (Aaker 1991; Kelly 1993). Brand recognition can assist the consumer choice in early stages of the purchase decision and influence brand preference. Similarly, brand recall ensures a brand is included in the consumer's choice set (Aaker 1991). Destination brand managers need to ensure that they are using effective marketing communications strategies and tactics to ensure consumers are aware of their brands. Sponsorship and brand activation activities for example may be considered to raise awareness of destination brands and ensure recognition and recall.

The study highlights the role of the tangible aspects of the destination brand, such as the physical aspects and staff. This highlights the importance for destinations to consider how they present themselves and training of their in-destination staff. In particular, destinations need to ensure that staff conduct reflects the destination brand values.

The study highlights a number of future research areas. The cross-sectional design of the study is recognised as a limitation and hence future research could examine the role of brand equity over time, using a longitudinal approach. Similarly, given the study was undertaken in the tourism destination sector, which limits the generalisability of the findings, future studies could examine brand equity in other settings, such as transportation.

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Figure 1: Two Competing Consumer Based Brand Equity Models



